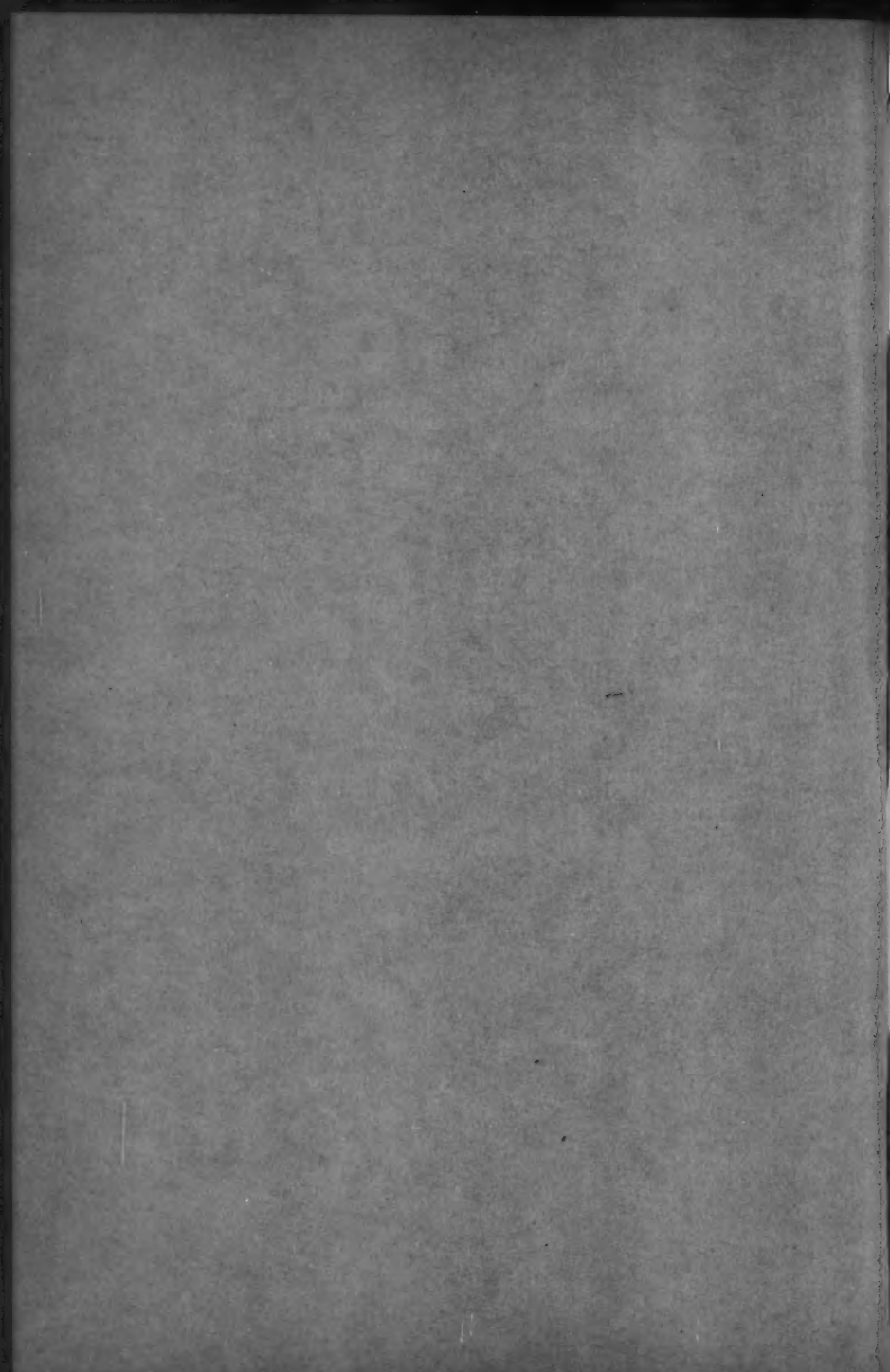

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Americana

A Voyage on the Hudson in 1807

By ADAM A. ROSS

"Travels through Canada and the United States of North America in the years 1806, 1807 and 1808," by John Lambert (Third Edition, London, 1816), contains an account of a trip from Albany to New York in one of the old Hudson River sloops which sailed as packets in those days and carried a considerable number of passengers up and down the river.

Lambert had come over from England and first visited Quebec and Montreal. On his way, his ship also found time to fish for cod on the banks of Newfoundland and provide fish food for the passengers and ship's company.

Leaving Montreal for New York in November, he traveled variously by canoe, stage, sailing vessel on Lake Champlain and in other ways till Albany was reached. His description of his journey from there to New York, now a matter of only a few hours, is as follows:

We arrived at Albany about noon, and put up at the Tontine coffee-house kept by Gregory. We now learnt that the river was frozen over several miles below Albany, and that the steam-boat in which we intended to have taken our passage to New York was laid up for the winter. We were much disappointed at this news, as we were very desirous of seeing the construction and management of this celebrated vessel, which travels at the rate of *five miles an hour against wind and tide*. It was built about four years ago, under the direction of Mr. Fulton, an American gentleman of great mechanical abilities. The length of the boat is 160

feet, and her width in proportion, so as not too much to impede her sailing. The machine which moves her wheels is called a twenty-horse machine, or equal to the power of so many horses, and is kept in motion by steam from a copper boiler eight or ten feet in length. The wheels on each side are similar to those of water-mills, and under cover; they are moved backward or forward, separately or together, at pleasure. Her principal advantage is in calms or against head winds. When the wind is fair, light square sails, &c. are employed to increase her speed. Her accommodations include fifty-two berths besides sofas, and are said to be equal, if not superior to any vessel that sails on the river. They are necessarily extensive, as all the space unoccupied by the machinery is fitted up in a convenient and elegant manner. Her route between Albany and New York is a distance of 160 miles, which she performs regularly twice a week, sometimes in the short period of thirty-two hours, exclusive of detention by taking in and landing passengers. She carries from 100 to 120 people. The fare from New York to Albany is seven dollars.

Having hired a stage to take us to Hudson, about thirty miles below, on the east side of the river, we left Albany the following morning, and crossed over to the opposite shore in the ferry-boat. At the top of a hill, which rises gradually from the water side, we had a beautiful view of the city and its environs. Several gentlemen's seats appeared to great advantage, and the plantations, gardens,

meadow lands, and orchards, interspersed among a number of handsome buildings, had a very picturesque effect. I only regretted that I was deprived of the pleasure of viewing such a pleasing scene at a more congenial season of the year. The day was, however, remarkably fine, which made some amends for the sombre tint of nature. The country through which we travelled this day was fruitful, well cultivated, and adorned with several neat farms and villages. In the evening we arrived at Hudson. This town is of modern construction, and like Troy consists of one very long street. The houses are of wood or brick; many of them built with taste, and all spacious and commodious. Shops and warehouses are numerous, and there are several large inns; from which I conceived that a considerable trade was carried on between this town and the interior. It has every appearance of a thriving settlement; and its situation is elevated and advantageous for commerce. There are several large brick warehouses near the wharfs for the reception of goods; and a great many small vessels sail continually between this town and New York. Ship-building is carried on here, and a vessel of 3 or 4 hundred tons was just ready for launching. Several other vessels of that size were also in the harbour.

The next morning, Sunday 22d November, we embarked on board the *Experiment*, a fine new sloop of 130 tons, built expressly for carrying passengers between Hudson and New York. The whole vessel was handsomely fitted up. It had two private cabins abaft, containing several bedplaces for ladies. In the midship was a large general room upwards of sixty feet long, and twenty feet wide, containing a double tier of bedplaces on each side for gentlemen, with printed cotton curtains drawn before them. At the head of this cabin

or room there was a bar, like that of a coffee-house, where the company were supplied with wine, bottled porter, ale, segars, and such articles as were not included in the passage-money. Between the bar and the forecabin was a very complete kitchen fitted up with a good fire-place, copper boilers, and every convenience for cooking. The forecabin was appropriated to the use of the sailors. The passage-money was five dollars, for which the passengers were provided during the voyage with three meals a-day, including spirits; all other liquors were to be separately paid for.

About nine o'clock in the morning we left the wharf, which was crowded with people to see the vessel depart; for it was the largest and best of the kind, except the steam-boat, that sailed on the river as a packet. It had not been established above six months. The mainmast, boom, and mainsail were of an immense size for a sloop, but we had ten or a dozen fine young fellows to work the vessel; and having a smart breeze, we soon left the town of Hudson far behind us. Mr. Elihu Bunker, who commanded the vessel, was part owner as well as captain, and seemed to be a plain religious sort of man. He had more the look of a parson than a sailor; and had posted up a long list of regulations at the cabin door, which, if properly enforced, were well calculated to keep his passengers in good order. In truth, something of the kind was necessary; for we had upwards of fifty persons on board, nearly all men. Among the forbidden articles were playing at cards and smoking in the cabin.

The morning was remarkably fine; the wind favoured us, and we had every prospect of an agreeable voyage. The month of November was but ill adapted to view the country to advantage; for the gay verdure of the fields and forests was now supplanted by the brown and gloomy hue

of winter. Yet the scenes that presented themselves along the shores of the Hudson were in some places of that grand and romantic description, and in others so beautifully picturesque, that they could not fail to interest the spectator at any season of the year. This river affords some of the noblest landscapes and scenery that are to be found in any part of North America. Nature and art have both contributed to render its shores at once sublime and beautiful.

In other places the shores rise from the water's edge into small hills, and descending on the opposite side form beautiful little valleys; beyond them arise other acclivities, which at length terminate at the base of lofty mountains. The country thus gently undulated is covered with rich farms, plantations, orchards, and gardens, and studded with neat and handsome dwelling-houses. The cultivated parts are intersected with small woods, coppices, and clumps of trees, which add much to the diversity of the scenery, and form a pleasing contrast to lawns, meadows, and corn-fields. In several places along shore are elegant mansions and country seats belonging to the principal persons in the State of New York. Some were pointed out to us, and the names of their owners mentioned; but I only recollect those of Mr. Livingston and Mrs. Montgomery, the widow of the general who fell at Quebec. The river is also ornamented with several little towns and villages near the water-side; and except in the neighbourhood of the rocks and mountains the country appeared to be well inhabited. The fineness of the weather contributed much to heighten the beauty of the scenes which everywhere opened upon our view as the vessel glided with the stream. In short, words are inadequate to do justice to the variety and splendour of the objects that present themselves at every turn and wind-

ing of this beautiful river. The pencil of a Claude can alone delineate them as they deserve, and pourtray their beauties with fidelity and truth.

We had not more than half a dozen ladies on board, the rest of our numerous company were *gentlemen* of all descriptions. Most of them appeared to be methodists, baptists, and other dissenters, who are very numerous in the States; and it being Sunday, several of them got together and sung hymns. They had good voices, and sung in different keys; but there was a melancholy monotony in the tunes which I did not much admire. We had two singing groups; one on deck, and the other in the cabin. Beside which, there was a third group assembled round a methodist parson, who harangued for a considerable time with much self-satisfaction, until he happened unfortunately to broach some curious doctrines, when he was cut short by a gentleman, who, from the opinions he advanced in opposition to the parson, seemed to doubt the authenticity of revealed religion. I really believe, however, that he was not in earnest, and only started difficulties to puzzle the other, who now quitted his preaching to enter the lists with the sceptic as he called him. For upwards of two hours they combated each other with great ardour, affording the rest of the company high entertainment. The gentleman pointed out all the incongruities in the Old and New Testament, seeming to doubt every thing which had been accomplished by miracles, and challenged the other to prove their authenticity. The parson proceeded in the common-place way to satisfy the doubts of his antagonist. In some instances he succeeded tolerably well; but in others he was completely confounded, and was obliged to digress from the subject to something which he thought unanswerable by his opponent.

The latter, however, endeavoured to keep him always to the point; and the parson was at times so much perplexed, that he became the butt of the company. He however bore their jokes with great good humour and patience; but finding that he could not satisfy the gentleman's scruples, he began upon politics. We soon discovered that he was a Jeffersonian; and there happening to be a large majority of federalists on board, among whom were the editor and printer of the Albany Balance, a strong anti-democratic paper, the poor parson got most roughly handled and I perceived that it was a more difficult task for him to keep his temper upon politics than upon religion.

In this manner the morning was passed, and we were glad to find our party of disputants and politicians sit down to dinner with great cordiality, and in the pleasures of the table forget the fretfulness of an empty stomach. Our dinner consisted of every thing in season, and was admirably served up: indeed, it would not have disgraced a tavern in London. At seven o'clock we had tea and coffee together with the cold turkeys and ham left at dinner. This was our last meal. At ten o'clock some few of the passengers turned into their berths: others, not inclined to go to bed so soon, called for wine, and began to sing some patriotic songs, such as Hail, Columbia, &c. One of them sung several English songs, which not exactly suiting the democratic principles of two or three persons on board, the captain came into the cabin, and said that he was desired by some of the passengers to request, that as it was Sunday night the gentlemen would not sing; it also prevented those who had lain down from going to sleep. The poor methodist parson was immediately suspected and charged with endeavouring to interrupt the conviviality of the company. He however came forward and assured them

he was innocent of the charge. The jovial party declared that it was very hard that they were not permitted to amuse themselves with a few innocent songs, when they had so quietly listened all the morning to the dismal psalm-singing and political disputes of other gentlemen: but as it was near twelve o'clock they acquiesced in the wishes of the captain. They were, however, determined to have another bottle or two of wine; and sat up a considerable time longer, cracking their jokes upon the parson, and on those who had expressed their disapprobation of singing songs on Sunday.

We sailed all night; but as the wind shifted to an opposite quarter, we made but little progress. The next morning it became more favourable; and the weather being fine, we had an agreeable passage. The prospects that presented themselves were equally beautiful and varied as yesterday; but the country was more rocky and mountainous. This day we passed the fort at West Point, where Arnold betrayed the cause of his country, and brought upon the gallant Major André an ignominious death.

About ten o'clock at night we arrived at New York; and it was very dark, and as we sailed by the town, lighted lamps and windows sparkled everywhere, amidst the houses, in the streets, and along the water-side. The wharfs were crowded with shipping, whose tall masts mingled with the buildings, and together with the spires and cupolas of the churches, gave the city an appearance of magnificence, which the gloomy obscurity of the night served to increase.

When the vessel was made fast to one of the wharfs, I went ashore with Mr. Mackenzie, Mr. Lyman, and the rest of our party to find a boarding house. Mrs. Loring's house in the Broadway, where

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Business Budgets and Credit Safety*

By HOMER N. SWEET

Eighty per cent of failures in business, as Bradstreet's statistics show, are traceable to faults of management. Only one failure in five arises from conditions or events which management is powerless to avert, such as competition, debts of apparently solvent debtors that fail of collection, and disasters of all kinds. To forestall avoidable losses is one purpose of a budget. It is relied upon also as a means of augmenting the profits. The president of the Walworth Manufacturing Company, which earned substantial profits in 1924, states in his annual report to the stockholders that "had it not been for our method of budgetary control, which made it possible to forecast both the decline and increase in orders, thereby maintaining a fairly even production throughout the year, in all probability no profit for the year would have been realized."

Bankers should encourage the adoption of budgets as a benefit to borrowers and a protection to lenders. The value of the budget to the borrower lies in its definition of the operating program best calculated to yield the highest profits and enhance the financial standing of his business. For the lender, the use of budgets by borrowers lessens his credit risk. The purpose of this article is to describe what a budget is as applied to a mercantile or manufacturing business and what it may accomplish to the advantage of both borrower and lender.

The budget is a prearranged plan of the operations of a business. A complete budget for a mercantile or industrial

business is summarized in three schedules, namely:

- Estimated balance sheet for future date.

- Estimated income and expense statement for future period.

- Estimated statement of cash receipts and payments for future period.

Each of these statements is compared later with the actual figures when they become known.

There are five classes of estimates that enter into the composition of the budgetary schedules, all being for a given future period:

- Estimate of sales and other revenues.

- Estimate of cost of materials and merchandise to be received and shipped and consequent changes in inventory.

- Estimate of operating costs and expenses.

- Estimate of plant additions, betterments, replacements and repairs.

- Estimate of dividends; short term and long term borrowings, maturities and conversions; capital stock issues, redemptions and conversions; and sinking fund requirements.

These estimates are made both on the accrual and cash basis. The translation of the estimates into the three summary schedules of the budget is an accounting process which need not be discussed in this article.

The final budget that is adopted as the program for a future period is agreed upon only after consideration and adjustment of many tentative budgets. The tentative or preliminary budgets may be called trial budgets. The first consolidation of estimates into a trial budget will rarely be an acceptable budget. The

*An address before the New England Chapter of the Robert Morris Associates and later published in the magazine of that organization.

ultimate effect of the preliminary estimates cannot be gauged in all their ramifications until they are assembled in a trial budget. The trial budget reveals wherein the component estimates are disproportionate and need to be revised.

But estimation is not the sole foundation of the budget. There are many factors wholly within the discretion of the management not subject to the vagaries of trade. It is for the executives to decide what sum to appropriate for advertising. The salaries and expenses of the salesmen can be predetermined within fairly close limits; so, too, the salaries and expenses of the administrative staff. Additions to plant may be made or not as the executives resolve. All these elements of the budget are dictated by the management itself as matters of policy and are not in the class of forecasts which may not materialize as anticipated. In great measure, then, the policies of the management dictate many of the factors in the budget.

A budget should forecast the transactions of a future period of not less than six months; preferably, the period should be for one year. But a final budget, so called, seldom serves its full term; more likely, it will be superseded early by another "final" budget. The budget of the federal government does fix the limits of expenditure for the next fiscal year; yet the Budget and Accounting Act provides that the President may submit emergency and deficiency estimates for expenditures omitted from the budget with a statement of the reasons for the omission. And in a business, too, the budget is amended whenever there is good reason for revision. Sudden fluctuations in prices of goods, in costs of materials, in demands of the trade and in the tactics of competitors, not foreseen when the last budget was adopted, may justify or compel immediate changes in

plans and policies. No budget should be so rigidly administered as to prevent modifications which the executive committee in the exercise of their best judgment perceive to be desirable.

The budget coordinates all the activities of a business. If all the proposed and estimated transactions for a future period, as first assembled in the trial budget, do not indicate fair net earnings and sound financial condition for the period ahead, that budget is amended until the most satisfactory budget permitted under prevailing business conditions has been attained. No proposition of any magnitude should be approved or disapproved as an isolated issue, but should be considered as an element of the complete budget along with all other transactions which in combination will affect the balance sheet and income statement. Coordination, therefore, implies these two aims: first, a positive one, which is that the efforts of all divisions or departments of the business shall be adjusted to a unified program planned with a definite objective, and second, a negative one, which is that no single decision of any consequence shall be reached without consideration of its probable effect on the budget.

A budget resolutely administered by a borrower is a protection to the lender. The lender can repose more confidence in the fiscal management of a company after it has adopted the budget as an integral part of its accounting and statistical system. Not only will the need for loans be critically reviewed from all angles in the process of setting up trial budgets and agreeing upon the final budget, but the time and means of repayment will be prearranged. The budget definitely charts the borrowings and repayments.

The budget introduces the custom of reviewing the estimates each month in the light of actual results. Operations

that would entail excessive expense can then be arrested or adjustments in other directions can be devised to counteract the threatened inroad upon profits and drain of assets. Should revenues fall behind the volume which the sales manager himself set out to secure, then there is an incentive for him to redouble his efforts to make up the deficit. If the cash account does not accumulate as large a balance at any date as was anticipated, re-examination of the resources and obligations may reveal avenues of recovery that otherwise would be overlooked. It is the monthly scrutiny of the income statement and balance sheet in comparison with the budget that reveals the shortcomings of management. Executives depend upon this comparison to uncover their errors of policy and to point the way to adjustments that will conserve the assets and augment the earnings. Any concern that operates on this principle is a safer credit risk than it would be if it muddled along without a budget.

It is not prudent for an executive merely to compare the operations of the current year with those of the preceding year. Successive years differ widely in the possibilities offered to make a business yield fair profits. If the prior year was a poor one, and the current year is a prosperous one, comparison of the two may engender higher hopes in the success of the current year than the conditions of that period truly warrant. A more significant relation lies in a comparison between the actual operating results of the current period and the budgeted figures that give effect, as fairly as can be estimated, to the conditions of trade for the same period. The important question is whether the concern is making as much money as it should in this year, not how much better it is doing this year than it did last year. In the memory of the

oldest textile men the year 1924 was the worst for cotton mills of New England since the Civil War. The outlook for 1925 is more hopeful. Operations of cotton mills in 1925 should not be judged by contrast with 1924. A better criterion for 1925 is a budget based upon a fair forecast of the possibilities for that year.

The final budget fixes the responsibility for every item of income and outgo upon a certain individual. This principle of organization is another factor of safety to the lender. It minimizes the chances for expenditures to run in excess of the amount that pre-calculations have shown the business is able to stand. For every class of expense there is an individual in the organization whose ability to discharge his duties satisfactorily is judged in part by his success in keeping the expenditures within the limits of the budget. The motive to conform with the budget makes for economy that could not be attained to the same degree were it not for the budget. And there is also the responsibility of the sales staff to reach the mark set by the budget—to bring in the orders at the prices figured to yield the desired profit. The striving of the responsible men to equal the budget and excel it is a real force that energizes the business in the direction of the greatest earnings and judicious handling of assets. It should strengthen resources and credit standing.

The advantages of a budget which have been described are those that flow from a complete budget. Many concerns that profess to have budgets have only budgets for overhead expenses or for sales. Partial budgets are steps in the evolution of a complete budget, and the evolution is a process of months rather than weeks. Successful administration of a budget is attained as experience is gained in forecasting trends of the busi-

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"All That Remains"

By E. ELMER STAUB

Neu Ruppín, so named to distinguish that German village from Alt Ruppín, just across Lake Ruppín, about two hours westward from Berlin, was once the seat of robber bands. Portions of the medieval brick wall which surrounded the village still remain. Thick walls, built in series of arches, with panels and a broad flat parapet for the use of the lookouts, tell of continuous warfare between the feudal lords and their neighbors.

What would not a movie director give to be able to film the "action" which must have taken place there. How easily the imagination roams when standing by those now crumbling walls. The shrill cry of the lookouts; the ringing of the alarm gongs; the rush to close the heavy city gates; the mobilization behind the walls, every man hastening to his allotted place with clumsy boots thumping, the while buckling on his broad belt, dagger and long sword, and with his wife or young son running alongside carrying the battle-axe, cross-bow or primitive firearm, as the case may have been.

Just as the larger and stronger beasts prey upon the smaller and weaker, so these tribal princes thrived by robbery and murder of their neighbors. And who shall say that the spirit which actuated them does not move many men of today? For the amassing of wealth by means resulting in material loss, mental anguish or physical suffering to others springs from the same kind of heart as that which nourished the bandit spirit.

How many fathers and sons were killed defending their small homes, their material possessions and the honor of their women? How many fair damsels died from the abuse during the feasts which invariably followed the successful coun-

tryside raids? How many brave men were lost trying to swim the waters of the triple moat or attempting to scale the walls just beyond? All that remains are portions of the wall and the mounds which formed part of the triple moat. The facts are unimportant now. Gone are the devil-incarnated bandits. Gone alike are the courageous defenders of the sanctity of the home and the brave would-be liberators of the much-abused captives. The spirit of dishonest desire striving to profit at the expense of honest toil and thrift, however, still tells its story in the hoary walls. Men come and go—it's not important; their motives and the effect of their actions upon the world's thinking alone are vital.

"Just outside the city wall" and but a stone's throw from the moat, is a city of the dead—Neu Ruppín's dead. Old gravestones and new tell of those who once lived and formed part of the life of that quaint community. Mere infants, young soldiers who "bravely died for the Fatherland," middle-aged and the "foremost citizens" all quietly sleep in their common bed awaiting Gabriel's clarion call on the resurrection morning.

What stories lie behind the inscriptions on those stones! We dare not comment thereon for fear of spending too much time in that interesting task. But how unusual is that monument just over there! Built of bricks, not the thick kind used in constructing the walls of the medieval town, but narrow ones, plainly a modern product. Semicircular in form, built of two-toned red brick, and of dignified design, this monument indicates that here lies one who also once had material possessions above the average. And was it not in order that posterity

might not forget its illustrious citizen that his marble bust was placed in the center, mounted upon a pedestal, telling of his services to the community?

How does the average man measure the value of his past life? What was accomplished, and was it worth while? How many discover in old age that they have been chasing elusive rainbows? How instructive for youth to hearken to the opinions of those who have weathered the storm of life for many a year.

While the populace honored its citizen, there was gnawing at his heart the sense of failure, the feeling that he had given a lifetime of effort without avail, and that the profit of his labors had been snatched from him. In bitterness of soul he had provided that his cemetery memorial should tell the world of his disappointment. So there the message stands, in raised gold letters on a black panel at the top of the monument:

"Ungunst und Wechsel der Zeit
zerstörte was wir geschaffen.
Die wir im Leben gekämpft
ruhen im Tode hier aus."

(Translated)

"Misfortune and Changes of Time
destroyed what we had built.
We who in Life had fought
in Death here quietly rest."

The cause of his discouragement lay not in his suffering in the defence of the womanhood of his family. It was the loss of material things that stirred him so. The older natives of the town will tell you the story of his triple loss. A homeward-bound ship, laden with merchandise intended to make him rich, foundering upon the high seas, caused him such loss as nullified years of effort. Fire, the red plague, burning to the ground his large retail store, brought his second prolonged effort to a premature

end. A dishonest cashier, embezzling a huge sum over an extended period, had bowed him to the dust in his old age. The last experience was the worst, for had it not cost him his confidence in his fellow-man and his faith?

Although centuries had passed between the days of the countryside robber "knights" and those of the unfaithful employee, is there any great difference between the spirit which actuated both? All that remains in both cases are brick walls, but they record the prevalence in both ages of a spirit that unfortunately still manifests itself to an extent of dishonest desire striving to profit at the expense of honest toil and thrift.

Business Budgets and Credit Safety

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ness and the organization becomes perfected. If the budget is to be instrumental in bringing about retrenchment on the approach of a period of depression, the budget must have been previously in operation; it cannot be installed and made serviceable on short notice.

Such are some of the possibilities of budgeting. Executives of the largest corporations do not venture to manage their operations without budgets. Thousands of business managers will undergo heavy losses before being convinced that budgets pay; but many progressive executives can be persuaded from the experience of others to begin directing their operations according to budgetary plans before it is too late. Bankers, by virtue of their position and the confidence which business men have in them, can be influential in extending the use of budgets and thereby minimizing credit losses, to the great advantage of their institutions and the business community at large.

Brokerage Audits Simplified

By A "CONFIRMED CUSTOMER"

Doubtless many members of the staff, when engaged in the preparation and mailing of "confirms" during the course of a brokerage audit, have wondered as to the reception given the receipt of the "confirm" by the customer.

The following letter, received by one of our clients from a facetious, as also rather original customer, will, therefore, prove both interesting and entertaining:

DEAR SIR:

I have received periodical requests from your auditors (with the lengthy firm name) to examine my statements of account and confirm their correctness. I regret that I am unable to comply with this request, for reasons that I shall endeavor to make clear to you.

In the first place, I never could solve the puzzle of a broker's monthly statement. In the second place, when I attempt it, the possible realization that I may be on the verge of a margin call gives me such a heart-palpitation that I become obliged to desist.

I do not wish you, however, to suffer from my limitations. I take it that the purpose of your request is to stop a customer from thereafter making claims against you, and to this extent I am perfectly willing to protect you. I therefore hereby covenant never to read, examine, or question your statements, and hereby authorize you in my dealings and transactions as follows:

1. To charge my account with any purchasing price that may suit your fancy, without regard to actual cost; any excess over cost, however, not to exceed one-quarter point. Beyond this, I think would be unfair.
2. To credit my account, when you sell any securities for me, with some price nearly approximating the price you obtain therefor.
3. To use my securities in any way to affect the market when you are otherwise personally interested, and to use my securities for deliveries on your short account.
4. To hypothecate as and when you see fit and put in loans for any amounts.
5. To loan my stocks at a premium, without giving me any credit therefor.
6. To collect all dividends, and charge them up to me in my account as assessments.
7. To compound interest hourly and at highest possible rates.

8. To correct all errors against you; all errors in your favor, however, to stand.
9. To make no point of neglect in execution of orders.
10. To vest in you full discretion with respect to my account, hereby authorizing you to include therein at cost any securities of your own which have become worthless or of little value.
11. To use my securities (when, if ever, they become fully paid up) in any way or for any purpose.
12. To sell whenever the market gets very weak, and immediately buy some other stock. This cannot hurt you.
13. To appropriate any and all balances in my favor to suit yourself.

If I have not sufficiently cut myself off from making claims against you, please call my attention to any neglected matter (which, I assure you, is a pure oversight on my part) and I shall be glad to extend you additional privileges.

Hoping you will still condescend to retain my account, and regretful of the fact that I am not a daily trader, I remain,

Sincerely yours,

(Signature omitted)

Americana

(Continued from page 4)

we intended to have lodged, was full; so that, after rambling about the streets for an hour, we were obliged to return on board again for the night. After so long an absence from London, I could not help experiencing a degree of satisfaction at once more treading the pavement of a large and populous city. Neither Montreal nor Quebec had the least resemblance to that which I had left: but New York seemed to present an exact epitome of it; and at the distance of 3000 miles, I now pleased myself with the idea of finding the manners, customs, and institutions of my own country reflected on this portion of the new world.

Proof of Market Value by Trade Journals

The introduction of the income tax into the fiscal system of our Federal Government has necessitated many valuations for tax purposes. March 1, 1913, has become a date of great importance because of the fact that the incidence of the income tax was limited to the period following the adoption of the sixteenth amendment to the Federal Constitution. This is not, however, the only date as at which valuations, presumed to reflect fair value, are required to be made for particular cases. The following article, which appeared in the "New York Law Journal," is therefore of interest to all who have contact with income tax cases.

It seems unquestioned that in proving the fact of the market value accredited price lists and market reports, including those published in trade journals or newspapers which are accepted as trustworthy, are admissible in evidence (*Commonwealth of Virginia v. State of West Virginia*, 238 Y. S., 202). However, the court may properly require, before admitting any stock reports or similar publications into evidence, that it be satisfied that the methods of compilation are such as to entitle them to credit, or, in any event, that the market quotations therein contained represent actual or proposed sales, or that the journal sought to be introduced is one commonly resorted to and respected by men in that particular line of business (*Chamberlayne, The Modern Law of Evidence*, Vol. III, sec. 2099-c). It was stated in *Cliquot v. United States* (3 Wall., U. S. 114): "It was thus improper to admit the evidence (trade journal) without any proof, outside the paper, of its trustworthiness and recognition as such by business men dealing in cotton."

In a New York case (*Whelan v. Lynch*, 60 N. Y., 474) it is stated that the credit to be given to such evidence must be governed by "extrinsic evidence" and cannot be determined by the newspaper or trade journal itself "without some proof of knowledge of the mode in which the list was made out."

At the present day the primary and most satisfactory evidence of market value is the trade report in its various

forms. The law, rationally adapting itself to the changes in the business world, has come to look upon this kind of evidence as trustworthy. Trade journals are usually prepared by experienced reporters, specially trained for the work, receiving information by telephone or telegraph from different points in the country, and who have no motive to misrepresent. In speaking of the admissibility of these papers in evidence to prove market value, the Supreme Court of Michigan, in *Sisson v. R. Co.* (14 Mich., 496), per Cooley, J., well said:

Courts would justly be the subject of ridicule if they should deliberately shut their eyes to the sources of information which the rest of the world relies upon and demand evidence of a less certain and satisfactory character.

In the recent case of *Watts v. Phillips-Jones Corp'n* (211 App. Div., 523, *Advance Sheets of April 4, 1925*) the appellant urged, in an appeal to the Appellate Division, Second Department, that a trade paper called *The Daily News Record*, by which there was established the market price in the City of New York of the goods sold, and which enabled the jury to fix the difference between the contract price and the market price, was erroneously admitted in evidence. The ground of its contention was that as the defendant did not offer sufficient "extrinsic proof," showing how or in what manner the record was made up, where the information it contained was obtained, and whether the quotations of

prices were made from actual sales or otherwise, it was not admissible. The appellant relied upon the case of *Whelan v. Lynch* (*supra*) as its authority, but the Appellate Division held that the evidence of two of defendant's witnesses, both of whom testified that the paper in question, *The Daily News Record*, is recognized in the textile trade as an accurate statement and "barometer" of market prices, of such merchandise as was the subject of the action, was sufficient "extrinsic proof" within the meaning of *Whelan v. Lynch* (*supra*) to entitle the plaintiff to introduce the trade journal into evidence.

We quote in part as follows from the able opinion on this point of Kapper, J.:

It is next urged by appellant that a trade paper called the *Daily News Record*, by which there was established the market price in the City of New York of the goods sold, and which enabled the jury to fix the difference between the contract price and the market price, was erroneously admitted in evidence. In support of this contention appellant relies upon the case of *Whelan v. Lynch* (60 N. Y., 460), where a trade paper called *Shipping and Price Current List* was held improperly admitted to show the market value of a commodity. The court, after saying that the paper should not have been admitted "without some proof showing how or in what manner it was made up, where the information it contained was obtained, or whether the quotations of prices made were derived from actual sales or otherwise," added (*per Miller, J.*, p. 474) that "the credit to be given to such testimony must be governed by extrinsic evidence and cannot be determined by the newspaper itself without some proof of knowledge of the mode in which the list was made out. As there

was no such testimony, the evidence was entirely incompetent and should not have been received."

The record on appeal in *Whelan v. Lynch* (*supra*) shows that the paper was read in evidence upon its mere production, without any extrinsic proof that the paper possessed the highest reliability or authority.

A reading of subsequent cases leads us to the conclusion that by the use of the phrase "extrinsic evidence" the Court of Appeals did not intend to lay down a precise formula regarding the character of the preliminary showing required to authorize the admission in evidence of a trade paper quoting market prices.

In *Harrison v. Glover* (72 N. Y., 451) it was said (*per Andrews, J.*, p. 454): "A price list stating the price at which a manufacturer will sell, or statements of dealers in answer to inquiries, are competent evidence of the market price of a marketable commodity, and is a common way of ascertaining or establishing a market price."

In *Commonwealth of Virginia v. State of West Virginia* (238 U. S., 202) Mr. Justice Hughes said (p. 212): "It is unquestioned that in proving the fact of market value, accredited price-current lists and market reports, including those published in trade journals or newspapers which are accepted as trustworthy, are admissible in evidence."

In *Blanding v. Cohen* (101 App. Div., 442, 444) it was said: "It was competent for the witness Shepard to refer to a newspaper for the purpose of refreshing his recollection as to the price of milk at a given time, proof having also been given that such paper was recognized by milkmen as the standard authority on the exchange price of milk (*Terry v. McNeil*, 58

Barb., 241; *Harrison v. Glover*, 72 N. Y., 451.)"

In *Burns Mfg. Co. v. Clinchfield Products Corp'n* (189 App. Div., 569), an action by purchaser against seller for damages for breach of contract of sale, a trade publication, the *Oil, Paint and Drug Reporter*, published in the City of New York, and which purported to give the sales and quotations of the commodity each day, was offered in evidence to establish market value. Objection was made to the introduction of the paper on the ground that it was not shown that the reports were generally accurate. "Proof," says Mr. Justice Smith, "was there-upon given both sides as to the reliability of this paper, and there was sufficient proof, I think, to authorize its receipt in evidence."

The record on appeal in the case last cited has been examined to ascertain the proof given upon both sides as to the reliability of the trade paper in question. On behalf of plaintiff, and as a basis for the admission of the paper, the testimony of an employee of the paper to the effect that his paper was accepted in the trade for the determination of the market prices was all there was. On behalf of the defendant six witnesses engaged in the chemical business all testified explicitly that the paper was not a guide to market prices; that it was without reputation or standing with respect to accuracy of quotations, and that it was unreliable. So that if the plaintiff's claim that the paper was a reliable guide was accepted as matter of law despite the testimony to the contrary, or whether the question of reliability was one of fact, we think the *Burns Mfg. Co.* case a direct authority for the admission in evidence of a trade paper where there is a basis in the proof to show that the paper

was relied upon by the trade as an accurate guide of market prices. Such evidence of preliminary showing was supplied in the case at bar by two expert witnesses called by the plaintiff, namely, Baldwin and Scheuer, both of whom testified that the *Daily News Record* is recognized in the textile trade as an accurate statement and "barometer" of market prices of such merchandise as was the subject of this action.

Horrors!

It cannot be said that the reputation of the climate of the State of California has suffered from excessive modesty on the part of the citizens of that State. Every native son virtually wraps himself around you, and when he gets through extolling the wonderful climate of that State you wonder whether it would not be well to end it all if fate has decreed that you must remain a resident of another State. With what horror then must a native son regard the United States Board of Tax Appeals, when that august body makes certain references to the hitherto sacrosanct climate of the State of California. For instance (see *Pacific Car & Equipment Co.* decision, Volume 2, July 28, 1925, page 349), the Board first sets out to state:

The plant is located on the west shore of San Francisco Bay . . . at a point where it is exposed to the heavy fogs and high winds. . . .

That in itself would be enough to cause the native sons to propose secession from the Union, but here comes the Board with another one:

The fogs leave a deposit of salt upon the iron roof and sides and cause excessive corrosion.

(Concluded on page 16)

The L. R. B. & M. Journal

Published by Lybrand, Ross Bros. and Montgomery, for free distribution to members and employees of the firm.

The purpose of this journal is to communicate to every member of the staff and office plans and accomplishments of the firm; to provide a medium for the exchange of suggestions and ideas for improvements; to encourage and maintain a proper spirit of cooperation and interest and to help in the solution of common problems.

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An Editorial Innovation

Following the theory that "competition is the life of trade," some modification will be made, beginning with the November issue, in the responsibility for the material for various issues of the JOURNAL. The matter for the November issue will be compiled by the Boston office and the issues for the two succeeding months will be prepared by the Chicago and San Francisco offices, respectively.

It was never the intention to make the JOURNAL a New York office product entirely. It never has been wholly so—as witness, for instance, the articles by Mr. Adam Ross and Mr. Sweet in the current issue—but nevertheless it seems desirable to encourage a still greater feeling of responsibility on the part of all our offices for the success and interest of our office publication. After the three issues above referred to have been completed, each of the remaining offices will doubtless also want to make itself responsible for a particular issue. In this way it will give our readers an opportunity to appreciate the versatility of the various offices, the activities of which are by no means limited to accounting work.

Furthermore, it is hoped that hidden, and thus far unappreciated, literary ability will be thus brought to light.

"Common Sense Returning"

The comparison of human nature with the pendulum of a clock, always going to one extreme or the other, never in repose or in a state of equilibrium, is an old one and in many ways a true one. It hardly seems possible that almost seven years have elapsed since the close of the greatest war which history has thus far re-

corded. Also, it seems strange that such a long period has been needed, and still more will be needed to recover from some of the extremes, economic and otherwise, which were manifested in our social life. The inflation period brought with it a recklessness in expenditure, the effect of which was felt in many different circles, and it has been no small task, to refer to only one sphere, to bring our national expenditures back to a sane basis.

No one accomplishment, however, has so established President Coolidge in the regard of the country as his success in reducing our governmental expenses and consequently lightening our tax burden. Fear has been expressed by some that the pendulum may now swing to the other extreme and that President Coolidge's call for thrift may result in so curtailing the people's expenditures for living and similar purposes as to seriously affect the business world. One of the sanest expressions of opinion on this subject which we have thus far seen is the following statement by Mr. Samuel W. Reyburn, President of Associated Dry Goods Corporation and of Lord & Taylor, made on the eve of a recent trip to Europe:

"As a merchant I am glad to endorse President Coolidge's attitude toward thrift. It seems to me that those who hastily interpret the President's sentiment to mean the drastic or complete cutting down of all expenditures do him a grave injustice, for President Coolidge in word and deed has frequently given evidence of his firm belief that trade and the unhindered flow of economic goods constitute the life blood of a nation.

ROOSEVELT'S DEFINITION OF THRIFT

"President Roosevelt reminded us in a quotation that thrift was the judicious use of time and money. To my mind thrift is not synonymous with parsimony,

but with prosperity. It is not a negative force resulting in the refusal to buy and in the stagnation of business, but a constructive force which implies health, strength and vigor in the economic system, and which lays the foundation of that courage and confidence which have made the remarkable economic development of these United States possible.

"The more far-sighted the business man the more fully he realizes that thrift is the very foundation for the continuous and growing success of his business. Experience teaches us all along the line, from the raw material to the manufacturer, to the jobber, to the retailer, and into the hands of the ultimate consumer, that overbuying or purchasing beyond one's resources inevitably results in disaster.

DANGER OF OVERSELLING

"If the manufacturer oversells the jobber or middleman he loses a customer for some time to come. An oversupply of merchandise on the shelves does not increase the good will of the purchaser toward the supplier who influenced him to make this extravagant commitment. The retailer who oversells the customer injures himself as much as he may injure the purchaser.

"I firmly believe the majority of modern business men govern their business policies by the desire to combine present profits with the good will of their customers; that is to say, thrifty or judicious purchasing today, leading to thrifty and judicious purchasing on a larger and more profitable scale at some future date.

"That is what I understand as the meaning of the idea voiced by President Coolidge, and this is the policy on which I believe the future prosperity of this nation rests. President Coolidge deserves our applause for his emphasis of this basic principle."

The Accountant's Service

An address made by Charles D. Walcott a short time ago before the American Association for the Advancement of Science on the topic of "Science and Service" contains the following paragraph:

It is evident that the great masses of humanity have yet to be educated in the scientific method of thought and action. All scientific men and women may do their bit—first, by training themselves to observe accurately, to think straight, and then to record clearly and honestly, and to draw warranted conclusions based on the facts presented, "free from previous preconception and prejudice;" second, by reviewing the mass of technical information with which they are familiar and telling the story they have learned in simple, clear language, free from obscure, complicated, technical and verbose wording. These simple suggestions apply not only to research workers in science, but to all the professional classes as well, theologians, doctors, lawyers, statesmen—especially lawyers and politicians, and of course professional teachers in schools and colleges.

Accountants are not specifically mentioned by Mr. Walcott as being among those to whom his suggestions apply, and yet no professional can profit by them more than the public accountant. The paragraph sums up in a broad way the function of the accountant in the business world and the manner in which he should perform it. The suggestions might be said to start with the investigating phase of the accountant's work and to conclude with the presentation of his results or conclusions to his client. The effectiveness of the work of every member of our organization will be increased if he will continually have in

mind the simple principles laid down in the foregoing quotation from Mr. Walcott's address.

Horrors!

(Continued from page 13)

If the climate has that effect upon *iron*, what effect must it have upon the human body (perhaps the Californians have very little iron in their blood, the iron being confined entirely to their nerve). But the Board comes along with yet another solar plexus blow, and long before the native son can recover from the shock, he reads this:

The high winds cause the iron sheets and the window frames to become loose. The foundation posts and floors of the shops are also under the constant attack of a fungus growth. . . .

Surely the vaunted acres of orange groves and other tropical fruits have not been reduced to a mere fungus growth! It is true, the Board also states that the fungus growth is due to "the high state of fertilization of the ground," but the bubble, although it has not exploded, has been seriously distended.

Before Californians take serious exception to the Board in respect of California climate, it is suggested that they wait and see whether the Commissioner acquiesces. If he *does*, that should make any further reference to the wonderful climate a misdemeanor.

N. B. BERGMAN
(New York Office)

Editor's Note: Our San Francisco office is probably much distressed by the fact that since the foregoing article was written the Commissioner has acquiesced in the aforementioned decision of the Board of Tax Appeals (See Internal Revenue Bulletin IV-40, page 1).

Reducing the Labor Turnover

In recent years especial attention has been given by large industrial organizations to the wastefulness of a rapid turnover. It is recognized that frequent changes in the working personnel do not make for efficiency, but, on the contrary, are expensive in various ways.

We were interested in the success of efforts to reduce the labor turnover in the plant of one of our clients, as evidenced in the following article, dealing with the discharge factor, which appeared in *The F. & H. News*, the company's house organ:

"Several thousand different persons worked for Forstmann & Huffmann Company either part or all of last year. Of that number, only two were discharged during the twelve months. Both were men. One of them had been with the Company less than two months. His discharge was recommended because of gross misconduct outside of working hours. The other had been with the Company nearly eight years. He was discharged because of habitual drunkenness, which made him unfit to perform his duties.

"Before either of these men was discharged a thorough investigation was made in order to be absolutely sure that there was no other way out. It is the policy of the Company never to discharge a person for any reason until it is sure that that person ought to be discharged. A person who has been discharged is out for good; he stands almost no chance whatever of getting another job with the Company. Only under very exceptional circumstances will a person who has been discharged be allowed to return to his old job or to get another job in the F. & H. mills. For this reason the Company is very careful not to discharge anybody until it is sure that the condition which has

brought about the recommendation for discharge cannot be corrected.

"Two discharges in a year are not many, especially in plants the size of ours. There are many smaller plants than ours in which the number of persons discharged each year is far greater. That is largely because many plants, rather than go to the trouble to which Forstmann & Huffmann Company goes before discharging an employee, take the easiest way out for the company (which very often is hardest for the employee) and discharge those who in any way break the rules or fail to perform their work in the proper way. It would be easier for this Company to do this, too, but it would be unfair to its employees, because most breaches of working rules and conduct are not serious enough to warrant discharge.

"During the year a number of F. & H. employees did things which would have resulted in discharge in some other plants, but they were not discharged because that would have been unfair to the employees and would have meant the loss to the Company of good workers. A few were suspended for periods up to two weeks, usually because of irregular attendance or carelessness in the performance of duties. A suspension amounts to a penalty for doing something which, though not serious enough to warrant discharge, is of such a nature that it cannot be allowed to pass unnoticed. An employee who is suspended gets his job back at the end of the suspension period. A few persons were temporarily laid off, which meant that if there were jobs open which they could do when the conditions which brought about the lay-offs had been corrected, they would be taken back, whereas to have discharged them would

(Concluded on page 24)

Office Notes

BOSTON

During the Summer we received as visitors from other offices Miss Ramsay, Secretary to Colonel Montgomery, and Miss Wadlin of the Washington office. Miss Cook of our Washington office was another visitor whom we had pleasure in welcoming.

* * *

Mr. Oswald C. Buchanan has returned to our staff after a period of more than a year spent in England and Scotland. He left with poor health and returned with a bride; looking no older but very much better than when he left us in the Spring of 1924.

* * *

Mr. Carl C. Place, who has been our efficient office manager, resigned in September to accept a position in the office of one of our clients. Our best wishes go with him for increasing success.

* * *

On September 28th Mr. Kittredge returned after a two months' trip to Cuba, Jamaica, Honduras and Guatemala, visiting the plantations and inspecting the organization and methods of a client with large interests in Latin America.

* * *

Mr. Robert T. Gannett has returned after a pleasant vacation in Europe.

* * *

Mr. Yves Buhler has been for some months abroad but is expected to return to us the first of this month.

* * *

Since our previous issue Miss Carter of our bookkeeping staff has become Mrs. Greenlaw. Miss Eaton of our bookkeeping staff resigned and is now the wife of Mr. Howard N. Smith of our staff. The Boston correspondent refrains from say-

ing anything at this juncture with reference to reorganizations, consolidations or holding companies.

* * *

Mr. William MacNaught was the unfortunate victim of a traffic accident in returning to his home from work, suffering fracture of several ribs and minor contusions. It is expected he can return to work shortly.

* * *

Mr. Keller spent most of September at a fishing camp in Quebec, loafing. Miss Holmes, his secretary, is now in Pennsylvania on vacation; upon her return he expects to go to work.

DETROIT

Mr. Russel Irving Rose, who joined the staff of our Chicago office in 1922 and shortly thereafter was transferred to our Detroit office, was recently appointed assistant manager of that office, a well deserved promotion.

* * *

Messrs. J. C. McNab, C. A., M. A. Yockey, C. P. A. (Ill.) and E. J. Barr, C. P. A. (Ill.) have received Michigan C. P. A. certificates under the new law recently enacted in that state.

NEW YORK

The official publication of the National Association of Cost Accountants issued during the past summer included, amongst others, an article on The Human Element in Material Control, by Chas. A. Williams, Comptroller of the American Safety Razor Corporation.

In the Publication Department Note preceding the article by Mr. Williams,

reference is made to the fact that the author had several years' experience on the staff of Lybrand, Ross Bros. & Montgomery (New York) and also expounds the following which may be of interest to the staff in general:

Too often accounting is looked upon chiefly as a matter of figures the accuracy and correctness of which must be checked and proven. While double-entry bookkeeping, on which the superstructure of accounting rests, does itself rest on a mathematical equation the proven equality of which gives confidence in the results derived therefrom, the inexperienced accountant is apt to emphasize unduly the matter of mathematical correctness. Its most valuable work lies in the direction of interpreting the results of business operations for the purpose of using such interpretations in the formulation of business policies and in the measurement and determination of the relative efficiencies of operation. This work at practically all points comes up against the human element. The current publication is particularly opportune, therefore, in that it points out the relation of the human element to one phase of accounting work.

The *Bulletin* of the American Institute of Accountants dated July 15, 1925, makes reference to the fact that the Montgomery Library of Accounting is on the seventh floor of the new building of the School of Business of Columbia University, which building was formally opened during the past summer. Emerson McMillan and A. Barton Hepburn are the donors of the new building and of the endowment fund of the School of Business, respectively.

It is with pardonable pride that the JOURNAL prints the following letter re-

ceived from someone who is evidently interested in our publication:

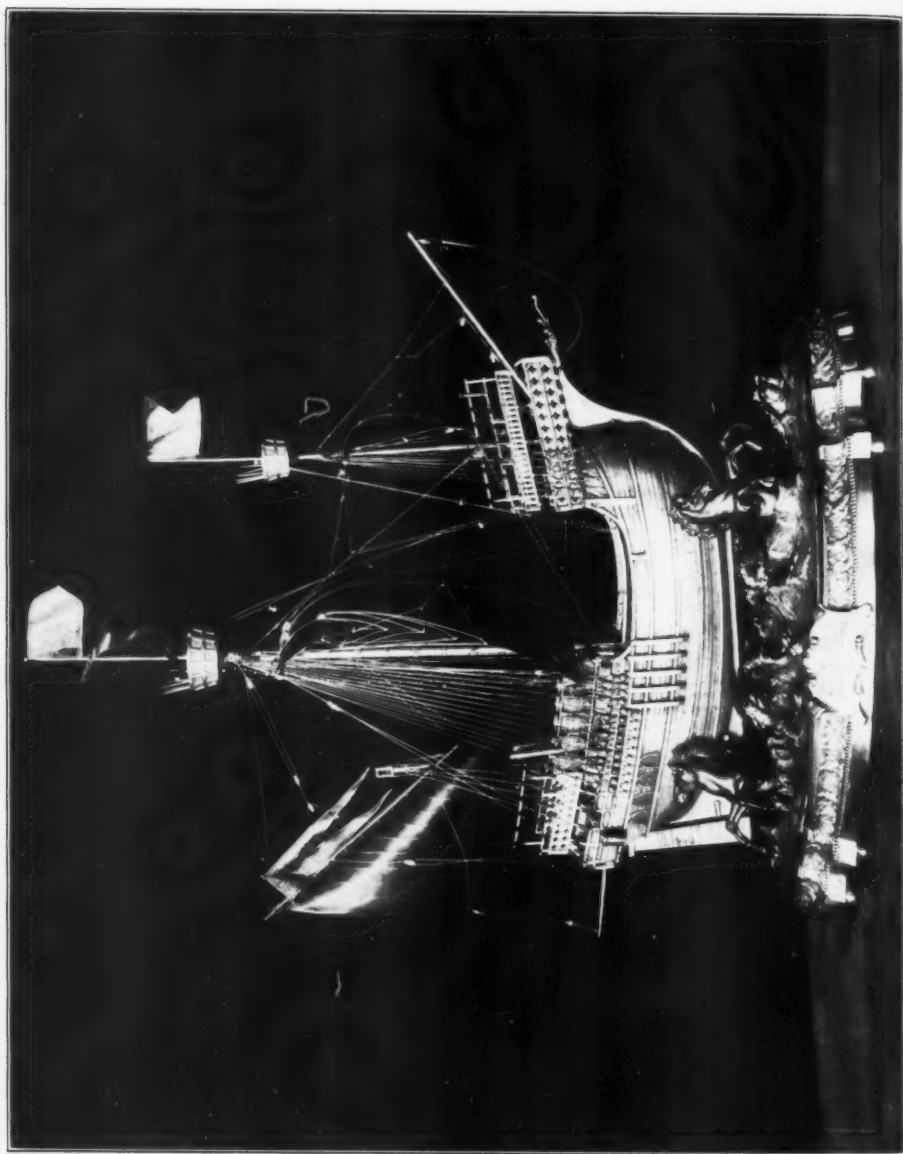
I wonder if there is any way of being favored with a copy of the L. R. B. & M. JOURNAL regularly? I find the May issue so exceedingly informing and interesting—particularly, Mr. Richard FitzGerald's article—that I covet a further treat. I do not find any reference to a subscription price, otherwise I would be only too pleased to subscribe for a year. Your firm is certainly to be congratulated on producing such a worth-while periodical.

Incidentally, it is of interest to note the out-of-the-way places from which requests are occasionally received for a copy of the JOURNAL. A recent request was from San Salvador.

The *Verdener Anzeigenblatt* of April 17, 1925, publishes a description of the airplane accident referred to in Mr. Lybrand's article "A Flying Trip Abroad," which appeared in the May issue of this JOURNAL. We thought it might be a good idea to reprint the newspaper article, which of course was written in German, in this issue, but after we had stumbled across the introducing word which read "Fliegernotlandung" we thought we had better have it interpreted and let our readers take our word for what was included in the remainder of the article.

Mr. Inch will again make the trip to Cuba in connection with the annual audit of the accounts of one of our clients with interests in that Republic.

We have not been able to receive reports from the entire staff, but such information as has been gleaned by us leads us to believe that the vacation period was thoroughly enjoyed. Mr. and Mrs. W. A. Staub made an extended trip through the United States and also included Alaska in their itinerary. Mr. Dumbille fished at Lake George and the



Canadian waters. Messrs. Westwood, Rudell and Morse enjoyed the scenic beauty of Lake George and Lake Champlain. Mr. Hardie took an extended motor trip, visiting Cleveland and Toronto. Miss Ramsey and Miss Wadlin of our Washington office pooled their vacations, which were spent most enjoyably at Belfast, Maine. Miss Wolverton marveled at the wonders of the latter State. Miss Morris took a boat trip with Nova Scotia as an objective. Mr. Howard took an auto trip, but sad to relate, he reports upon his return that motoring is not what it is cracked up to be. Mr. Tufel stayed at home and bought a new house instead.

* * *

The Horace E. Dodge Memorial Trophy of The American Power Boat Association (illustrated on another page), a model of a fifteenth century carrick, designed in silver by Henry B. Culver, is of special interest to us because the silver ship was manufactured by Graff, Washbourne & Dunn of New York, one of our clients. The trophy, which is a beautiful piece of craftsmanship, was much admired by several of our men who had occasion to be at Graff, Washbourne & Dunn's office just after it was completed.

PHILADELPHIA

Mr. Russell C. Kremer, a member of our staff since February, 1918, accepted an important position with the Markle Banking & Trust Company, of Hazleton, Pa., beginning May 1st. Mr. Kremer is qualified by character, experience and temperament to render valuable service to this Company, one of our oldest clients, and both they and he have our best wishes for a successful future.

The Pennsylvania Institute of Certified Public Accountants held an outing on Wednesday, April 29th, at the Seaview Golf Club, Absecon, N. J., Mr. Adam Ross being in charge of the arrangements.

The unfavorable weather prevented many from attending, but sixteen finally faced the northeast wind and occasional rain squalls, and, after getting past the seventh green, found themselves sufficiently warmed up by the battle with the elements to finish in fairly satisfactory condition and enjoy a swim in the salt water pool at the Club house afterwards.

An agreeable evening was spent indoors, part of it around the dinner table, and everybody got away for home on the nine o'clock train or by motor, feeling that it had been good to know the other fellow by personal contact, rather than, as in most cases, by vague and often misleading rumor.

Messrs. Anderson, Carson and Roux, of this office, were among the hardy ones who made the trip.

* * *

Bunkers Club

The annual handicap tournament of the Bunkers Club was held at the Merion Cricket Club on June 18th and 19th, eighteen holes being played on the West Course on the first day and eighteen holes on the East Course on the next. In addition to the Philadelphia devotees, Messrs. Marsh and Whayland from Pittsburgh and Mr. Hare from Baltimore entered.

Mr. Joseph M. Pugh, who had won the Hood Cup in 1923, was the winner and needs to win it only once more in order to retain it permanently. F. S. Metzler won the golf club presented by Mr. T. Edward Ross to the member of the staff having the lowest net score.

The scores were as follows:

		Handi- cap	Net
J. M. Pugh	88-93	181	20 161
T. E. Ross	87-96	183	20 163
F. S. Metzler	95-101	196	28 168
G. F. Berger	93-99	192	16 176
F. E. Hare	102-102	204	28 176
W. H. Hartman	108-123	231	50 181
F. E. Curran	90-92	182	0 182
H. O. Whayland	103-102	205	20 185
W. F. Marsh	106-117	223	36 187
H. I. Sohner	107-120	227	40 187
A. K. Fischer	116-115	231	36 195
D. R. Anderson	122-131	253	50 203

* * *

St. Andrew's Professor (to caddy from whom he was taking a lesson)—"Why is it that a man of my intelligence cannot make a better showing in this game?"

Caddy—"Oh, sir! Onybody can teach the laddies Latin and Greek, but gowf, sir—gowf requires a heed."

* * *

Harvey I. Sohner, a member of the staff, has just returned from a vacation "out where the tall corn grows"—Iowa. This was Mr. Sohner's first visit home in eight years. He reports a wonderful trip, heavy inroads on fried chicken, and a corresponding depletion in his stock of golf balls.

* * *

In Mr. A. Edward Newton's new book, "The Greatest Book in the World," under the heading "Marks and Remarks," he states, "For several illustrations of rare Bibles, I am indebted to Mr. T. Edward Ross, of Philadelphia."

* * *

In addition to the four partners, six of the members of the staff are members of the American Institute of Accountants.

* * *

On the way back from his vacation, Mr. Edward Ross stopped over at the Apawamis Club, Rye, N. Y., to play in the U. S. Seniors' Golf Association tournament. According to the *New York Times*, he tied with Mr. S. R. Smith, of Garden City, for first place in the putting contest for those playing on the last two

days of the tournament. His score for eighteen holes was 35.

* * *

The Philadelphia office stepped into the tennis world a couple of months ago by inaugurating an annual tournament, Mr. T. Edward Ross being the donor of the trophy, which this year consisted of a handsome sterling silver traveling clock. Forty members of the staff and office force participated in the tournament, the final match of which was played on Saturday, September 19th, at the home of Mr. Joseph M. Pugh, Haverford, Penna. The principals of the match were Mr. George W. McIver, Jr. (Class of 1917 at Annapolis), and Mr. Boyd J. Brown (Class of 1921, Swarthmore), Mr. McIver having played No. 5 on the tennis team at Annapolis and Mr. Brown No. 2 on the team at Swarthmore. Mr. Brown was the victor and was presented with the prize by the donor, the scores of the match being: 2-6, 1-6, 6-4, 6-3 and 6-3.

The players were very evenly matched and both showed us some very good tennis. As noted by the scores, Mr. Brown came from behind to win in five sets. The total number of points scored were: Mr. McIver 151, Mr. Brown 146. The match was so close that Mr. Ross, in addition to the clock, added a runner-up prize for Mr. McIver—a beautiful sterling silver cigarette case.

A consolation tournament is in progress, the participants being all those who were defeated in the first match they played in the tournament, but it has been delayed owing to vacations, weather, men going out of town, etc. Mr. Adam Ross indicated his willingness to provide a suitable prize to the winner of the consolation, and we are hoping to complete all the matches shortly.

We are all looking forward to as large or a larger tournament next season.

SAN FRANCISCO

The Diamond Jubilee

The Diamond Jubilee Celebration in San Francisco, September 5-12, commemorating the seventy-fifth anniversary of the State, probably exceeded in size and elaborate display anything previously attempted in the nature of a local celebration.

Certainly no large city was ever more completely decorated, or so wholeheartedly imbued with the high spirit of carnival.

No complete estimate is available of the number of visitors, but transportation facilities and available accommodations, even sheer space in the downtown districts, were taxed to the utmost.

The activities were so many and varied that a description of even the principal features is not possible. As a predominating note, however, reminders of the days of the Spanish occupation gave a romantic and colorful touch to everything—from decorations and costumes to the parades and public assemblies.

Coming in a week with two holidays—Labor Day and Admission Day—you can easily imagine that the amount of attention which the average San Franciscan could give to more serious affairs during the entire period was relatively insignificant.

* * *

We have heard some wonderful vacation tales this year, but we hand it to the far-sighted individual whose vacation ended the Saturday before Labor Day in San Francisco.

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We have been charged with having more public holidays than any other portion of the country. To the uninitiated the ease with which we can be persuaded to take a day off might seem to indicate an easy-going—not to say dis-

respectful—attitude toward work in general. The truth is that we are all so intensively devoted to our work, and our efficiency is so high, that the only way we can avoid overproduction, with all its economic and social woes, is by closing up the shop frequently and dashing off to try and find some unoccupied parking space in the "great open spaces."

* * *

We were happily surprised by the announcement of Mr. Robert Buchanan's marriage on August 8th to Miss Irene Sebastian of this city.

This is the sixth time that we have been "happily surprised" the past year—not by Mr. Buchanan always, of course—but by other members of the staff; Messrs. Moore, Anderson, Whifler, Smith and Kork having also announced their marriages during the past twelve months.

* * *

The tallest building in California, the new Pacific Telephone and Telegraph Company Building, has just been completed here without a serious or fatal accident.

The old adage among contractors and building mechanics was "a life to every floor," or a fatal accident for every story constructed. Hence the completion of this great structure, 26 full stories, plus a tower, or 490 feet to the top, marks real progress in construction.

In addition the new skyscraper is probably the most beautiful business structure on the west coast. When lighted by flood lights at night, it resembles in appearance an immense shaft of pure white granite, and is visible for miles by land and water.

* * *

The port of San Francisco had a "million dollar day" every working day dur-

ing the last fiscal year, ended June 30th, and showed an increase of \$28,000,000 over last year.

The average monthly San Francisco bank clearings for the first seven months of 1925 were \$752,300,000 as compared with \$697,000,000 for 1924. Previous records, even of the post-war years, were broken four times in seven months, culminating in July with clearings of \$805,000,000.

WASHINGTON

The Washington office desires to report that all the staff have now been on vacations, with the exception of Mr. McGuire, who has held the fort so far with no relief except for a few wanderings to the ball park. Being an ardent baseball fan, he couldn't be persuaded to leave the city until he knew that Washington had won the pennant. He is now threatening to make his annual sojourn to his native heath (Massachusetts), but we suspect he'll be back in time for the World Series.

* * *

Mr. and Mrs. Haynes returned to Washington the middle of August, after a very interesting trip to Europe, which included attendance at the meeting of the International Chamber of Commerce in Brussels, as well as visits to Switzerland, France, England and Scotland. Mrs. Haynes got in enough golf practice in Scotland so that she came back and captured the women's championship for the District of Columbia, but we don't know yet whether Mr. Haynes improved his game that much.

* * *

Mr. Magathan and his family explored the Great Lakes country, while Mr. Bolinger wandered off to Texas and Missouri, and, according to his own account, visited all his relatives en route.

Miss Cook spent all her rainy days in the subway stations in New York, her sunny ones in Massachusetts, and a particularly pleasant one in Philadelphia, returning to Washington just in time to get herself knocked overboard and nearly drowned in the Potomac River. Miss Wadlin sojourned with her family in Maine, while Miss Alwell brought back a nice tan from one of the beaches near Washington.

* * *

Miss Johnson has been in the hospital for some weeks as the result of an infection after a tonsil operation, but is now expecting to return to the office the first of October. Miss Gregory resigned to study music in Paris, and Miss Supplee has been employed in her stead.

Reducing the Labor Turnover

(Continued from page 17)

have meant that they could not come back.

"In all matters of this kind the Company has tried to be fair. In every doubtful case the employee has been given the benefit of the doubt. The Company has tried to be fair even in those cases where it was certain that all the fairness was on the part of the Company and none on the part of the employee, which is a condition that does arise sometimes. It believes that the record of only two discharges in a whole year is evidence of its desire to be fair. It believes that its employment policy of 'Hard to Get In and Hard to Get Out' is one that must in the long run work out to the advantage not only of the organization as a whole, but of the thousands of individuals who make up the organization and who, with their families, depend upon the organization for their livelihood."

